

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL NOTE**

**SB 1201 – HB 1412**

March 17, 2021

**SUMMARY OF BILL:** Deletes the requirement that local governments establish and maintain comprehensive growth plans (CGPs). Requires certain local governments to meet certain requirements for participation in the National Flood Insurance Program (NFIP) within certain time frames.

**ESTIMATED FISCAL IMPACT:**

**Other Fiscal Impact – The extent of any decrease in local expenditures associated with funding for economic and community development boards cannot reasonably be determined.**

Assumptions:

- The proposed language deletes Tenn. Code Ann. Title 6, Chapter 58 in its entirety. Pursuant to Tenn. Code Ann. § 6-58-101 through § 6-58-118, beginning September 1, 1998:
  - Cities and counties were required to appoint coordinating committees consisting of locally elected leaders who were responsible for the establishment of CGPs;
  - Considering growth within their jurisdictions over the next 20 years, the CGPs labeled urban growth boundaries, planned growth areas, and rural areas;
  - Each county was required to establish a joint economic and community development board, containing no fewer than three persons, which are required to meet at least quarterly, with activities of the board jointly funded by participating local governments; and
  - The CGPs can be amended as needed through action of the coordinating committee.
- Several local functions are governed by components of a CGP:
  - Municipalities are prohibited from annexing any territory located within another municipality's urban growth boundary;
  - New municipalities may only be created in territory approved as a planned growth area;
  - Jurisdictional boundaries of certain planning commissions may not go beyond an applicable urban growth boundary;
  - General regional plans adopted by certain planning commissions may not be inconsistent with CGPs; and

- Cities and counties may exercise the power of eminent domain for development of an industrial park, only with respect to property located within the jurisdictional boundaries of the city or county and urban growth boundaries.
- Removal of CGPs may result in the following:
  - Disbandment of local economic and community development boards;
  - Broader areas where municipalities may annex;
  - Removal of jurisdictional boundaries where territories may incorporate; and
  - Growth in current jurisdictional boundaries of certain planning commissions.
- Expansion of locations where annexation, incorporation of territories, and jurisdictions of certain planning commissions will not alter current procedures governing such actions. Therefore, any permissive fiscal impact to local government is estimated to be not significant.
- The extent of funding provided by local governments for economic and community development boards, and if such local governments will continue to support such boards is unknown. Any decrease in local expenditures associated with no longer funding such boards cannot reasonably be determined.
- Based on information provided by the Tennessee Emergency Management Agency, 400 of the 437 local governments currently participate in the NFIP. Non-participant local governments will have two years from the publication of the effective date of any future flood insurance rate map or flood hazard boundary map published by the Federal Emergency Management Agency to participate in NFIP.
- Local governments would accomplish this requirement through passage of certain zoning regulations applicable within their identified flood or hazard boundaries.
- Such zoning regulations will be adopted at a regularly-scheduled meeting of the governing body; therefore, any increase in local expenditures is estimated to be not significant.

## **CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.



Krista Lee Carsner, Executive Director

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